

Item # \_\_\_\_\_

Prepared by \_\_\_\_\_

Commissioner Mike Ritz

Approved by \_\_\_\_\_  
County Attorney

**RESOLUTION RECOGNIZING THE EFFECT OF SUB PRIME LENDING  
AND OTHER ECONOMIC FACTORS CAUSING MANY HOME FORECLOSURES IN  
SHELBY COUNTY; RECOGNIZING THE COUNTY ASSESSOR'S RECENT  
REAPPRAISAL PROCESS FOLLOWING THE APPRAISAL GUIDELINES  
PROMULGATED AND ENFORCED BY THE TENNESSEE DEPARTMENT OF  
PROPERTY ASSESSMENT; AND ENCOURAGING THE BOARD OF  
EQUALIZATION TO CONSIDER THE EFFECT OF HOME FORECLOSURES, BANK  
REAL ESTATE OWNED (REO) SALES AND DEEDS IN-LIEU-OF-FORECLOSURE IN  
THEIR CONSIDERATION AND DECISIONS CONCERNING APPEALS OF THE  
ASSESSOR'S REAPPRAISALS BY SHELBY COUNTY HOMEOWNERS.**

*Sponsored by Commissioner Mike Ritz*

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**WHEREAS** Chairman Deidre Malone appointed an ad hoc Reappraisal Committee to study the 2009 countywide reappraisal and make recommendations for improvements for future appraisals; and

**WHEREAS** It has been reported by Chandler Reports that there were 3999 foreclosures in Shelby County during 2005; 5390 in 2006; 5965 in 2007; and 7317 in 2008, while the total Shelby County home sales for those same years was 24,739; 25,284; 20,706; and 16,418 respectively; and

**WHEREAS** It has also been reported by Chandler Reports that the 10 largest sellers of homes in Shelby County during 2008 were financial institutions, loan servicers, and/or loan insurers/guarantors and the 3998 home sales of those 10 financial institutions totaled \$237,942,966 (see attachment A); and

**WHEREAS** The 2008 home sales by these 10 financial institutions constituted 24% of all home sales in Shelby County during 2008 and considering sales of other financial institutions in 2008 might carry the percentage of 2008 home sales by financial institution to over 35%; and

**WHEREAS** An official of the Tennessee State Department of Property Assessment has advised Ad Hoc Committee Chairman Mike Carpenter that while the County Assessor is obligated to follow the guidelines promulgated by the State Department of Property Assessment to not consider home foreclosures, bank REO sales, and deeds-in-lieu in their reappraisal process, the Shelby County Board of Equalization may consider the effect of these foreclosures, bank REO sales and/or deeds in-lieu in considering and deciding appeals by individual homeowners of the County Assessor's individual reappraisals; and

**WHEREAS** Three members of the County Board of Equalization are appointed by the Shelby County Board of Commissioners, three members are appointed by the City of Memphis, and one each are appointed by the cities of Bartlett, Germantown, and Collierville; and

**WHEREAS** The Board of Equalization is not obligated to follow the guidelines that the State Division of Property Assessments establishes for the County Assessor and may consider bank foreclosures, bank REO sales, and/or deeds in-lieu-of-foreclosure when they consider and decide appeals by homeowners; and

**WHEREAS**, commercial, industrial, and agricultural property owners generally appeal their appraisals through professional services knowledgeable in the law and methods of appraisal including the effects of an adverse economic climate, but residential homeowners generally appeal without the assistance of such tax professionals;

**NOW THEREFORE BE IT RESOLVED** That due to this year's unusual economic climate as described above, the Board of Commissioners of Shelby County, Tennessee encourage the Shelby County Board of Equalization to consider the effect of bank foreclosures, bank REO sales, and or/ deeds-in-lieu-of-foreclosure on home values in their decisions concerning appeals by the Shelby County homeowners for the reappraisals done for the Tax Year 2009.

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A C Wharton, Jr.  
County Mayor

Date \_\_\_\_\_

ATTEST:

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Clerk of County Commission

ADOPTED \_\_\_\_\_